1944 Examined **File No.** L. Misc./44

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Legal **DEPARTMENT**

E **BRANCH**

Subject:— Miscellaneous Leases and Lincenses — Scrutiny of —

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Legal Department File No1 L.Misc/44.

Sr. No.	Compilation No.	Subject	Pages
1)	G4.LDN.491 20/1/44	Agreement with — The Karnatak Industrial and Plywood Company Ltd.	1-7.

Office Copy.
Alterations in Blue pencil card made by the Chief Forest Officer & Submitted for Scrutiny through R.D. on 10-5-44.

R.I. No. 621 11-5-44.

Returned to R.D. No. 3429 11-5-44.

AN AGREEMENT made at the day of One thousand nine hundred and forty-~~three~~ four Between THE GOVERNOR OF BOMBAY hereinafter called "Government" (which expression shall unless the context does not so admit include his successors and assigns) of the one part and THE KARNATAK INDUSTRIAL AND PLYWOOD COMPANY, LIMITED, a Company incorporated under the Indian Companies Act, 1913 and having its registered office at hereinafter called "The Company" (which expression shall unless the context does not so admit include its successors and assigns) of the other part WHEREAS the Company is desirous of starting a plywood factory at Supa, Kanara District AND WHEREAS the Company has requested Government to grant it a concession for forty years for the extraction of trees of not less than 4 feet in girth over bark and 4½ feet above ground level specified in section 1 of the Schedule hereto attached in the area mentioned hereinafter which Government has agreed to do upon certain terms and conditions AND WHEREAS before signing this agreement the Company has deposited with the Divisional Forest Officer, Kanara, Northern Division, (hereinafter called "the Divisional Forest Officer") a sum of Rupees five thousand as security for the due compliance with and the performance by the Company of all the terms and conditions in this agreement so far as they are to be observed and performed by the Company AND WHEREAS by a rule under section 76, clause (d) of the Indian Forest Act, 1927 hereinafter called "the said Act" whoever enters into any contract with any Forest Officer acting on behalf of Government shall, if so required by such Forest Officer, bind himself by a writte

instrument to perform such contract. NOW IT IS HEREBY MUTUALLY AGREED as follows:-

1. The Company will have a concession for forty years from the day of 194 for the extraction of trees of not less than 4 feet in girth over bark and 4½ feet above ground level specified in section 1 of the Schedule hereto attached in the area mentioned in clause 3 hereof at a royalty of Rupee one per ton of 50 cubic feet of extracted material, the rate of royalty being liable to revision at every 10 years from the date of the execution of this agreement. This concession is granted to the Company for its own manufacturing purposes only.

2. The Company will, during the period of this agreement, be allowed to extract woods of the species mentioned in section II of the Schedule hereto attached in reasonable quantities and purely for manufacturing purposes from the area of concession at the rates mentioned below:-

	Rate per ton.	
(a) Teak or tectona grandis (b) Rosewood or dalbergia latifolia (c) Sandalwood or santalum album (d) Bijasal or pterocarpus marsupium	Current market rates minus cost of transport and extraction as notified by the Conservator of Forests, S.C., in January every year.	
(e) Adina cordifolia (Haldu) (f) Lagerstoemia Lanceolata(Benteak) (g) Stephegyne Parvifolia(kalamb) (h) Terminalia tomentosa(Matti)	Rs. 20	Subject to revision at the end termination of the present war.
(i) Terminalia Paniculata(Kindal)	Rs. 10	
(j) Bombax malabaricum (Sawar)	Rs. 1	

3. The area in which the concessions are to be enjoyed, will comprise about 183 square miles lying to the north of the Potoli-Joida-Diggi Road in Supa Range. The said area is demarcated in the map attached hereto.

4. The Company will be allowed to extract timber for its requirements at its discretion in any part of the area, ~~in India,~~ subject to the provision that at any time the area under working does not exceed one compartment in organised forests or one square mile in unorganised forests. The removal of teak, rosewood

will be leased to the Company for a factory site and 19,500 acres of land in the vicinity of Supa town will be leased to the Company for the purposes of soft-wood plantation on the following conditions:-

(a) The period of the lease should be 10 years in the first instance.

(b) The Company will be allowed to extract trees from the area leased on payment of the following rates and subject to the following conditions :-

(i) All standing growth, except teak and blackwood, at Rs.6 per acre,

(ii) Teak and blackwood at the market rates to be fixed by the Consevator of Forests, S.C., unless they are required for war or for Government purposes, provided that the Company will be allowed to extract teak and blackwood for construction of factory and for incidental buildings during the period of the present war at Supply Department minus cost of extraction and transport fixed by the Conservator of Forests, S.C.

(iii) A sketch of the lay-out shall be submitted to the Conservator of Forests, S.C., before any trees of in the area leased under this clause are cut and the price of the trees permitted to be cleared shall be paid in full before a single tree is cut.

(c) Save for such trees as may be reserved for shade or other purposes, the whole factory area of 100 acres shall be cleared of tree growth before 31st July 1944 and kept clear of coppice shoots, lantana, brushwood and other growth during the currency of the lease, and

(i) a strip of 33 feet wide from the edge of the roads ~~passing through~~ or adjoining the land shall remain unfelled on either side of the roads,

(ii) a strip of 100 feet in width shall be cleared in all places where the boundary adjoins reserved forests, and this strip shall be kept clear of vegetation throughout the period of the lease so as to prevent fire from spreading into the adjoining forests,

(iii) the boundary and other marks shall be kept in proper repair throughout the period of the lease, and

(iv) no part of the land shall be sublet or assign to any person whatsoever without the previous permission in writing of the Divisional Forest Officer.

and no part of any building or machinery erected on the land

(d) The Company shall pay rent at annas 4 per acre per annum for the 100 acres of the factory area and for the area actually cleared for soft-wood plantation.

18. All costs, charges and expenses of and incidental to this agreement and of the leases of the area mentioned in clause 17 shall be paid by the Company.

19. The amount of royalty, rent or any other amount due under this agreement shall be paid to the Divisional Forest Officer on behalf of Government. If and whenever any part of the rent, royalty or any other amount due under this Agreement shall be in arrear the same may be recoverable from the Company in accordance with section 83 of the said Act or as an arrear of land revenue in accordance with sections 82 and 85 of the said Act or in both ways. If the said rent or royalty hereby reserved shall be in arrear for the space of 30 days whether the same shall have been legally demanded or not of if and whenever there shall be a breach of any of the covenants or conditions by the Company herein contained, Government will be at liberty to terminate this Agreement and to forfeit the said deposit.

20. The Company shall perform and observe all the covenants and conditions contained in the accompanying standard form of agreement hereto annexed and marked 'A' so far as they are applicable to this agreement.

IN WITNESS WHEREOF THE GOVERNOR OF BOMBAY hath caused the Chief Conservator of Forests Southern Circle Belgaum to set his hand and affix his official seal hereto on his behalf and the Common Seal of the Karnatak Industrial and Plywood Company, Limited, has been affixed hereto the day and year first above written.

SCHEDULE.
Section I.

List of species to be exploited for manufacturing purposes under clause 1.

Annexed & Marked 'B'

5

Section II.

List of species to be exploited in reasonable quantities for manufacturing purposes under special terms of clause 2.

(The Schedule may be copied from the Schedule attached to the letter dated 28th August 1943 addressed to M. Vithal Rao, Esq., with suitable modifications where necessary)

SIGNED, SEALED and DELIVERED by)
Esq.,)
Chief Conservator of Forests,)
~~Province of Bombay~~, in the presence)
of :)

1.

2.

The Common Seal of the Karnatak Industrial and Plywood Company, Limited, was affixed hereto pursuant to a resolution of the Board of Directors dated day of in the presence of:-

1.

2.

Letter. No. 491

Legal Department,
Bombay Castle, 20th January 1944.

To

The Chief Conservator of Forests,
Province of Bombay, Poona.

Reference your letter No.3B/4365 of 43-44, dated 10th January 1944. Before now I didnot receive any instructions from you to prepare the draft agreement. I send herewith the draft agreement for your approval. The agreement has been prepared upon the lines of the agreement of the Indian Plywood Manufacturing Company, Limited. I presume that the Company has agreed to deposit the sum of Rs.5,000 with Government as security for the due compliance with the agreement. The agreement may be executed in duplicate. One copy may be retained by Government and the other may be

handed over to the Company. The standard agreement form may be annexed to the agreement and may be marked A. After this agreement is executed and the Plywood Factory is established, two separate lease may be executed in respect of the area mentioned in clause 16. As regards clause 4 it may be considered whether it is necessary to mention any rates of extracting timber. In clause 1 the date of commencement of the agreement may be filled in. The plan of the area may be attached to the agreement.

G.R. 20/1
Solicitor to Government.

Encl:
Draft agreement.

MGP

21/1.